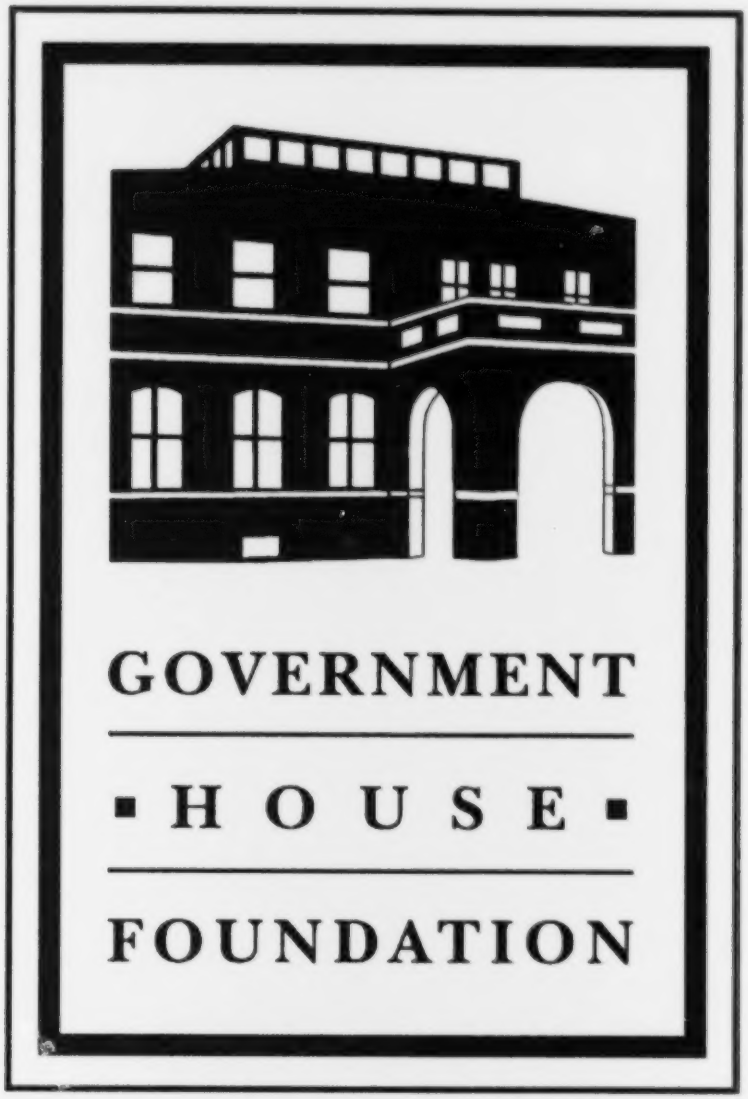
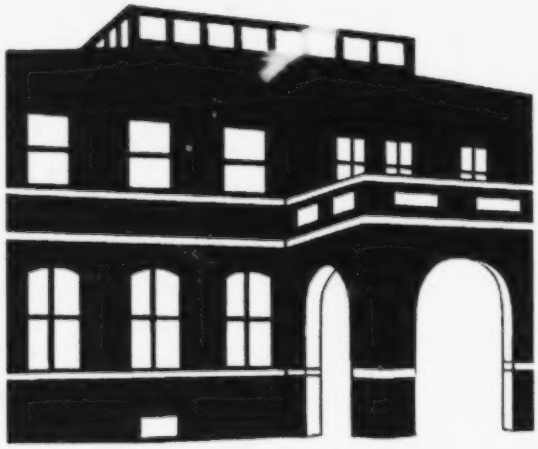


ANNUAL REPORT

2006-2007



GOVERNMENT

▪ HOUSE ▪

FOUNDATION

Letters of Transmittal

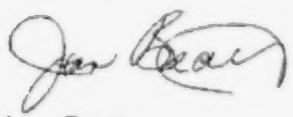
To His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina SK S4P 3V7

Your Honour:

It is my privilege to submit the Annual Report of The Government House Foundation for the period ending March 31, 2007.

The J.E.N. Wiebe Interpretive Centre has been officially opened and the Sylvia Fedoruk Conservatory has been renovated and new greenery installed. Both new developments have proven very popular with schoolchildren, tourists and local citizens who have visited the Government House Museum and Heritage Property.

Respectfully submitted,



Joan Beatty
Minister in Charge

To The Honourable Joan Beatty
Saskatchewan Provincial Secretary
Room 204
Legislative Building
Regina SK S4S 0B3

Dear Minister:

It is my pleasure to submit the Annual Report of The Government House Foundation for the period ending March 31, 2007.

The Government House Foundation Board of Trustees continue to focus on the collection of outstanding pledges received during the campaign which will be used to fund future projects to preserve and enhance the Government House Museum and Heritage Property.

Respectfully submitted,

Charles H. Knight
Chairperson, Board of Trustees

Introduction

The Government House Foundation was established by regulation, under the authority of The Historic Properties Foundation Act, on August 15, 2001. The site in the City of Regina commonly known as Government House was designated as a National Historic Site in 1968 and as a Provincial Heritage Property on August 26, 1981 and is the historic property for which the Foundation was established.

Our National Treasure

Government House Museum and Heritage Property is truly a Canadian treasure! Built in 1891, this elegant mansion served as the residence of the Lieutenant Governors of the Northwest Territories, a vast area of 2.5 million square miles, the size of Western Europe. All of present day Alberta, Saskatchewan, a large portion of Manitoba, northern Ontario and northern Quebec, the Northwest Territories, Nunavut and Yukon, were governed from Regina.

Our Goal

The Government House Foundation's primary goal is to preserve and enhance the Government House Museum and Heritage Property as well as to promote public awareness of the historical, educational and cultural value of the property.

Our Objective

Government House Museum and Heritage Property is an educational and historical resource for all of Canada. The Government House Museum and Heritage Property Centennial Project is an exciting development of Government House and the surrounding grounds. The expansion and enhancement of this national historic site leaves a legacy that proudly symbolizes our province's centennial and will be utilized by thousands of schoolchildren and tourists for generations to come.

To complete this major Centennial Project the Government House Foundation set a goal to raise $3 million from private sector donors. The $3 million goal had two components. The first and primary goal was to raise $2.5 million less campaign expenses to supplement the $4.4 million requested from the governments of Saskatchewan and Canada for financing construction costs of the Centennial Project. Government House Foundation successfully raised $2,217,424.

Our Focus

For the 2006-07 year, our Board of Trustees became more of an administrative and oversight body, ensuring that the monies that had been committed and collected or to be collected and are expended in a timely and appropriate manner. The J.E.N. Wiebe Interpretive Centre has been officially opened and the Sylvia Fedoruk Conservatory has been renovated and new greenery installed.

Our Action Plan

The Government House Foundation Board of Trustees, a group of well-known, highly respected individuals from across Canada along with local volunteers, utilized their personal connections with potential donors to encourage support of this major Saskatchewan Centennial Project. There were no new pledges in 2006-2007 and the Foundation will continue to concentrate on collecting the instalment payments for pledges received during the campaign.

Key risk factors

One significant feature of the Foundation's campaign was the provision to allow instalment payments on major pledges. This option allowed donors, who support many other worthy causes, the ability to stagger the financing of their major commitment over a number of years. The key risk factor for the Foundation is the non-collection of outstanding pledges. In consideration of the prominent individuals and companies who have pledged funds, the risk of non-collection is considered minimal.

How are we doing?

As of March 31, 2007, the Government House Foundation received pledges and donations totalling over $2.4 million. This total, when combined with commitments from the provincial and federal governments, was sufficient to guarantee financing of the construction costs for Phase I and Phase II of the Government House Museum and Heritage Property Centennial Project.

During 2006-07, the Government House Conservatory was completed. Named in honour of a former Lieutenant Governor, the Honourable Sylvia O. Fedoruk, the Conservatory exhibits a wide range of flora while serving as an elegant hospitality area. With the help of the Government House Foundation, the Conservatory is now even more enjoyable and inviting. An official opening will be held in 2007 to acknowledge the contributions of Drs. Morris and Jacqui Shumiatcher.

Conservatory after renovations in 2006-07

On July 29th, 2006, Government House Museum and Heritage Property was host to the celebration of the former Lieutenant Governor's tenure, the Honourable Dr. Lynda M. Haverstock.

The Honourable Dr. Lynda M. Haverstock waving to the crowd gathered for the farewell festivities

Former trustee of the Government House Foundation, His Honour the Honourable Dr. Gordon L. Barnhart became Lieutenant Governor of Saskatchewan on August 1, 2006. As Lieutenant Governor, he is now the Patron of the Foundation.

His Honour the Honourable Dr. Gordon L. Barnhart

The Honourable J.E.N. Wiebe

The Government House Foundation would like to respectfully acknowledge the contribution of the Honourable J.E.N. Wiebe, former Lieutenant Governor of Saskatchewan. The new J.E.N. Wiebe Interpretive Centre bears his name and offers people an opportunity to share in the excitement of Saskatchewan's proud history and heritage. As a trustee of the Government House Foundation, Mr. Wiebe was dedicated to the preservation of this historical building. He held very strong feelings about the role and importance of Government House as a museum and a heritage property.

J.E.N. Wiebe Interpretive Centre

Our Future Plans

The Government House Foundation has concluded its active fundraising campaign and will now focus on the collection of outstanding pledges. The Department of Government Relations, Provincial Secretary Division, will pursue other fundraising opportunities such as Federal Government funding programs and legacy type funds, along with partnering with other similar facilities – RCMP Heritage Centre, Saskatchewan Legislative Building and the Royal Saskatchewan Museum. The plans for the restoration and renewal of the surrounding gardens is being revived, and a game board to be used for school programs is nearing completion.

Board of Trustees

The Government House Foundation Board is responsible for the administration of the Foundation. Trustees of the Foundation are appointed by the Lieutenant Governor in Council. The trustees represent business, community, and government interests from across Canada, signifying the national importance of the Government House Museum and Heritage Property. As of March 31, 2007, the Board of Trustees was comprised of the following members:

Government House Foundation Board of Trustees

Chairperson

Charles H. Knight, Regina, CEO, Denro Group of Companies

Trustees

Senator A. Raynell Andreychuk, Regina and Ottawa
Dean Burns, Calgary, Barrister and Solicitor
W. Brent Cotter, Q.C., Saskatoon, Dean of Law, University of Saskatchewan
Paul J. Hill, Regina, President, Harvard Developments Inc.
F. William Johnson, Q.C., Regina, Barrister and Solicitor
Amber MacLeod, Regina
Lily Stonehouse, Regina, Deputy Provincial Secretary of Saskatchewan
Jacqui Shumiatcher, **S.O.M.,** Regina
Hon. J.E.N. (Jack) Wiebe, Swift Current

Honorary Trustees

Sheila Carson, Regina, President, and Member, Government House Historical Society
Hon. Sylvia O. Fedoruk, O.C., S.O.M., former Lieutenant Governor
Pamela Wallin, S.O.M., Chancellor, University of Guelph

Government Liaison and Secretary of the Board

Deborah Saum, M.V.O., Executive Director, Protocol, Honours and Government House

Government House Foundation - Campaign Summary to Date

For fiscal year ended:	Amount Pledged	Campaign Expenses
2002-03	$ 319,300	$ 111,894
2003-04	1,478,934	133,600
2004-05	414,633	89,069
2005-06	215,774	51,517
2006-07	90	10,596
Total Campaign:	$ 2,428,731	$ 396,676

Construction costs for the Centennial Project to date totalled $5,164,029. Of this $2,217,424 was financed by campaign pledges.

Donor Recognition

Donors are instrumental to the success of any fundraising campaign. We greatly appreciated all of the donations, which contributed to the success of the campaign, and would like to make special mention of the following donors for their contributions:

Leading Pioneers - Donations of $100,000

Sylvia Fedoruk Conservatory sponsored by: Drs. Morris and Jacqui Shumiatcher

Amédée Forget Museum sponsored by: Charles and Doris Knight and Family

Historic Pioneers - Donation of $50,000

BMO Financial Group

Building Pioneers - Donation of $10,000 - $49,999

CIBC
Conexus Credit Union
N. Murray Edwards
George Fink
The McClement family
B. Ross Giles, FCA
Ron & Jane Graham
Hazelaar family
Petro Canada
Ernie & Rikki Richardson
Richardson's Lighting
Sask Liquor & Gaming Authority
Scotiabank
Joan C. Snyder
George Solomon family
Wayne Steadman
Ken Stephenson
Sun Electric (1975) Ltd.
William A. Taylor
Allan & Shirley Taylor

Supplementary Financial Information

Personal Services

No individuals received payments for salaries, wages, honorariums, etc.

Supplier Payments

No payees received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts, equipment, travel and meetings. Goods and services of $4,176 were paid to suppliers in 2006-07.

Contribution towards Construction

Saskatchewan Property Management received $64,857 for costs relating to the construction of the Government House Museum and Heritage Property Centennial Project.

Where to Obtain Additional Information

For further information about the Government House Foundation or to make a donation please contact us:

Brad Lawrence
General Manager
Government House Museum and Heritage Property
Telephone: (306) 787-5720
E-mail: blawrence@gr.gov.sk.ca

Government House Foundation
c/o Brad Lawrence
Government House Museum and Heritage Property
4607 Dewdney Avenue
Regina SK S4T 1B7

GOVERNMENT HOUSE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

Management's Responsibility for Financial Statements

The management of the Government House Foundation is responsible for the preparation and presentation of the financial statements. These statements have been prepared in accordance with generally accepted accounting principles in Canada, consistently applied using management's best estimates and judgments where appropriate. Management is responsible for the reliability and integrity of the Financial Statements and other information in this Annual Report.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the Financial Statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization that assets are properly guarded against unauthorized use and the reliable records are maintained.

The Provincial Auditor has audited the Financial Statements. His report to the Members of the Legislative Assembly, stating the scope of his examination and opinion on the Financial Statements, appears within this report.

On behalf of Management:

Charles H. Knight
Chairperson

Deborah Saum
Secretary of the Board

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Government House Foundation as at March 31, 2007 and the statements of operations and changes in net assets and of cash flows for the year then ended. The Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 25, 2007

Fred Wendel, CMA, CA
Provincial Auditor

GOVERNMENT HOUSE FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2007

Statement 1

	2007	2006
ASSETS		
Current Assets:		
Cash due from General Revenue Fund (note 3)	$ 470,326	$ 337,972
Interest receivable	4,681	6,244
Accounts receivable	-	7,430
Pledges receivable (notes 4 and 6)	114,997	142,250
	$ 590,004	$ 493,896
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 65,740	$ 18,773
Deferred revenue (note 5)	28,600	30,000
	94,340	48,773
Net Assets (Statement 2)	495,664	445,123

(See accompanying notes to the financial statements)

GOVERNMENT HOUSE FOUNDATION Statement 2
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended March 31, 2007

	Annual Budget	2007	2006
Revenue:			
Donations	$ 87,000	$ 108,490	$ 290,549
Interest and miscellaneous	10,000	17,504	20,626
	97,000	125,994	311,175
Expenses:			
Advertising and donor recognition	3,900	8,605	24,490
Casual labour and consulting services	-	-	4,320
Meetings and travel	-	-	2,327
Postage and courier	200	-	179
Printing	5,500	167	1,352
Registration fees and other	200	112	219
Salary and employee benefits	-	-	16,317
Supplies	500	447	242
Telecommunications	1,700	1,265	1,561
Website development and maintenance	-	-	510
	12,000	10,596	51,517
Excess of revenue over operating expenses	85,000	115,398	259,658
Contribution towards construction (note 7)	16,000	13,720	579,952
Transfer of donations in kind (note 8)	50,000	51,137	13,857
Excess of revenue (expenses) over expenses (revenue)	19,000	50,541	(334,151)
Net assets, beginning of year	445,123	445,123	779,274
Net assets, end of year – to Statement 1	$ 464,123	$ 495,664	$ 445,123

(See accompanying notes to the financial statements)

GOVERNMENT HOUSE FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended March 31, 2007

Statement 3

	2007	2006
Cash provided by (used in):		
Operating activities:		
Excess of revenue (expenses) over expenses (revenue)	$ 50,541	$ (334,151)
Change in non-cash working capital:		
Decrease in receivables	36,246	328,496
Increase (decrease) in accounts payable	46,967	(1,618,868)
(Decrease) increase in deferred revenue	(1,400)	30,000
	132,354	(1,594,523)
Net increase (decrease) in cash	132,354	(1,594,523)
Cash, beginning of year	337,972	1,932,495
Cash, end of year	$ 470,326	$ 337,972
Cash consists of:		
Cash due from General Revenue Fund	$ 470,326	$ 337,972

(See accompanying notes to the financial statements)

1. Authority

The Government House Foundation was established by regulation under the authority of *The Historic Properties Foundation Act*, on August 15, 2001. The site in the City of Regina commonly known as Government House was designated as a Provincial Heritage Property on August 26, 1981 and is the historic property for which the foundation was established.

The primary mandate of the Government House Foundation is to solicit donations to help pay for the expansion and renovations to Government House.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received. Donations-in-kind which include computer equipment are recorded at fair market value on the date of their donation.

Pledges are recorded as revenue when written pledge documents are received by the Government House Foundation and there is a commitment to pay prior to the next year-end. The amount of outstanding pledges to be received subsequent to next fiscal year-end are disclosed separately in Note 6 of these financial statements.

b) Revenue Recognition

Restricted contributions are recognized as revenue in the year in which restrictions of the contributions have been met. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

d) Fair value

The Foundation's financial instruments include cash due from the General Revenue Fund, interest receivable, accounts receivable, accounts payable and deferred revenue. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

3. Cash due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation earns interest on a quarterly basis, calculated on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for the year was 4.15% (2006 – 2.82%).

4. Pledges Receivable

Pledges receivable are net of an allowance for uncollectible pledges of $1,000.

5. Deferred Revenue

Deferred revenue represents funds donated by Cameco Corporation for the development of a Government House Cameco school program.

	2007	2006
Beginning Balance	$ 30,000	$ -
Funds received from Cameco Corporation	-	30,000
Less: Revenue recognized during the year	(1,400)	-
	$ 28,600	$ 30,000

6. Outstanding Pledges

The Foundation has received signed pledge documents from donors with commitments to pay the Foundation the following amounts in the years listed. These pledges will be recorded as receivable and as revenue in future years.

	2007	2006
Outstanding Pledges		
2008	$ 50,000	$ 87,000
2009	10,000	50,000
2010	-	30,000
	$ 60,000	$ 167,000

7. Contribution towards Construction

Donations for the Government House Heritage Property Centennial Project were expensed as Contribution towards Construction as costs were incurred. As of March 31, 2007, contributions totaling $2,217,424 were used toward construction costs for the Government House expansion. The Centennial Project includes the development of the Edwardian Gardens, which is still in the development stages.

8. Transfer of Donations In Kind

During the year, Government House Foundation paid for the renovations of the Conservatory at a total cost to date of $49,737 and the construction of a Puppet Theatre for the Cameco school program at a cost of $1,400.

9. Related Party Transactions

The Foundation is related to departments, corporations, boards and commissions under the common control of the Government of Saskatchewan; Saskatchewan Crown agencies; and non-Crown enterprises that the Government jointly controls or significantly influences, including trustees and their corporations over which they have significant control. The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, the Foundation pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Foundation has not been charged with any administrative costs associated with the provision of administrative services provided by the Department of Government Relations and no provision for such costs is reflected in these statements. These costs are borne by the Department.

	2007	2006
Pledges Receivable	$ 74,997	$110,000
Accounts Payable	63,457	18,644
Donation revenue	90,003	110,000
Expenses	1,265	1,561
Contribution towards construction	13,720	579,952
Transfer of donations in kind	51,137	13,857
Outstanding Pledges	20,000	75,000